

Comparative Income Analysis

Borrower Name _____

Company Name _____

General Instructions: This form is to be used to compare the borrower's business over a period of years. Each item is defined as follows:

Gross Income = Gross receipts or Sales (–) Returns and Allowances; Expenses = Cost of goods sold (+) Total Deductions

Taxable Income from

Schedule C = Net Profit or loss (Sole Proprietorship); Form 1065 = Ordinary Income or Loss (Partnership);

Form 1120 = Taxable Income (Corporation); Form 1120(s) = Taxable Income (S Corporation)

Calculation Instructions: Determine year-to-year trends in gross income, expenses, and taxable income as described below.

Gross Income

Step 1. Enter the gross income figure from each year's statement where indicated.

Step 2. Determine the percentage change in gross income from one year to the next by –

- calculating the dollar difference between the two years; and
- dividing the dollar difference by the previous year's gross income.

Enter percentage of increase or decrease where indicated. Be sure to indicate + or –.

	19__		19__		19__
Gross					
Income	\$ _____	100%	\$ _____	100%	\$ _____ 100%
% change		(+) (–) _____ %**		(+) (–) _____ %**	

Expenses

Step 1. Enter the expense income figure from each year's statement where indicated.

Step 2. Determine what percentage expenses are of gross income by dividing the expense amount by the dollar amount of gross income for each year. Enter the results where indicated.

Step 3. Determine the percentage change in expenses from one year to the next by –

- calculating the dollar difference between the two years; and
- dividing the dollar difference by the previous year's expenses.

Enter the percentage of increase and decrease where indicated. Be sure to indicate + or –.

Expenses	\$ _____	%*	\$ _____	%*	\$ _____ %*
% change		(+) (–) _____ %**		(+) (–) _____ %**	

Taxable Income

Step 1. Enter the taxable income figure from each year's statement where indicated.

Step 2. Determine what percentage taxable income is of gross income by dividing the dollar amount of taxable income by the dollar amount of gross income. Enter the results where indicated.

Step 3. Determine the percentage change in taxable income from one year to the next by –

- calculating the dollar difference between the two years; and
- dividing the dollar difference by the previous year's taxable income.

Enter the percentage of increase or decrease where indicated. Be sure to indicate + or –.

Taxable					
Income	\$ _____	%*	\$ _____	%*	\$ _____ %*
% change		(+) (–) _____ %**		(+) (–) _____ %**	

* The expenses and taxable income each period as a percentage of gross income for that period.

** The percentage change for each item from the previous period.

The Taxable Income Trend is _____ increasing _____ level _____ decreasing.